

CSFs – Kovur Cooperative Sugars Factory, Nellore District – Financial Assistance – Release of an additional amount of Rs.3,10,00,000/- as loan to clear the cane price dues to farmers by Kovur Cooperative Sugar Factory – Sanction accorded – Administrative Sanction - Orders – Issued.

INDUSTRIES AND COMMERCE (SUGAR) DEPARTMENT

Dated: 03-02-2011.
Read the following:-

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The Commissioner of Sugar & Cane Commissioner, Hyderabad, in his letter 1st read above, has stated that the Government have sanctioned & released an amount of Rs.758.82 lakhs as interest bearing loan to the 3 Cooperative Sugar Factories i.e., Chittoor (Rs.378.60 lakhs), Kovur (Rs.350.00 lakhs) and Anakapalle (Rs.30.22 Lakhs) to meet the immediate commitments of statutory cane price payments for crushing season 2009-10 and to overcome the issue of penalties and to safeguard the interest of the affected farmers. Accordingly, the loan amount has been disbursed to Managing Directors of Chittoor, Kovur & Anakapalle Cooperative Sugar Factories with instructions to utilize the loan for the purpose for which it was sanctioned and furnish the utilization certificate along with details of expenditure and also instructed to repay the loan as per schedule prescribed in the Annexure "A" and "B" to the G.O.Ms.No.94, I&C (Sugar) Department, Dt.6.9.2010.

2. The Commissioner of Sugar & Cane Commissioner has further informed that the Managing Director, Kovur Cooperative Sugar Factory Limited, Nellore has stated that out of total cane price payment of Rs.1552.30 lakhs, the factory has cleared FRP and PT incentive of Rs.1242.00 lakhs to all the cane suppliers from the financial assistance of Rs.350.00 lakhs provided by the Government. The Kovur CSF is yet to pay additional cane price dues of Rs.310.00 lakhs to the sugar cane suppliers. The CSF is planning to start crushing operations by 15-12-2010 and programming to crush 1,50,000 MTs with 8.25% recovery. The sugarcane farmers are organizing Dharnas in the factory and Collectorate and pressing the management of CSF for clearance of cane price dues. Unless the CSF clear the cane price dues of Rs.310.00 lakhs there is a threat of diverting cane to private factories by the cane growers.

3. The Commissioner of Sugar & Cane Commissioner has therefore requested to take necessary action for financial assistance to the Kovur Cooperative Sugar Factory, Nellore District.

4. Government after careful examination of the entire issue, hereby accord sanction for an amount of Rs.3,10,00,000/- (Rupees Three Crores and Ten Lakhs only) as loan to clear the cane price dues to farmers by Kovur Cooperative Sugar Factory, Nellore District in relaxation of Treasury Control orders by obtaining supplementary grants during the year 2010-11.

(P.T.O)

5. The expenditure shall be debited to the Head of Accounts, as indicated below:

“6860 – Loans for consumer Industries – 04 – Sugars – 101 – Loans to Coop Sugar Mills – GH.11-N.S.P.- SH (09)- Loans to Sugar Factories for making statutory cane payments - 001- Loans to Cooperative Sugar Factories towards statutory cane payments to the farmers”.

6. The Commissioner of Sugar and Cane Commissioner shall take necessary action to draw and disburse the amount.

7. This order issues with the concurrence of Finance (Expr.I&C) Department, vide their U.O.No.34974/488/Exp. I&C/10, Dt.31.1.2011 and as per Budget Release Order issued in the reference 2nd read above.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Sugar & Cane Commissioner, A.P., Hyderabad.

Copy to:

The Managing Director (FAC), Kovur CSF, Kovur, Nellore District.

The Public Enterprises Department

The Finance (Exp. I&C) Department

The Finance (B.G.) Department,

The Accountant General, A.P. Hyderabad

The Director of Treasuries & Accounts, Hyderabad

The Pay & Accounts Officer, Hyderabad.

The P.S. to Minister (Sugar).

//FORWARDED BY ORDER//

SECTION OFFICER